

AMENDED IN ASSEMBLY MARCH 16, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 400**

**Introduced by Assembly Member De Leon**

**(Coauthors: Assembly Members Block, Jeffries, Portantino, and  
Ruskin)**

February 23, 2009

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~~An act to add Article 4 (commencing with Section 11820) to Chapter 8.1 of Part 1 of Division 3 of Title 1 of the Government Code, relating to state agencies. An act to amend Section 15849.20 of, and to add Section 15849.23 to, the Government Code, relating to state funds, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 400, as amended, De Leon. State agencies: *Fiscal funds.*

*Existing law requires the Department of Finance, the Controller, the Treasurer, and the Department of General Services to collaboratively develop, implement, utilize, maintain, and operate the Financial Information System for California (FISCAL) as a single integrated financial management system that encompasses the management of resources and dollars in the areas of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset management, project accounting, grant management, and human resources management. Existing law requires the Office of the Financial Information System, upon its establishment, to implement the FISCAL system, in a specified manner, with Wave One consisting of certain departments. Existing law authorizes the State Public Works Board to issue debt to pay for the development and implementation of the FISCAL system, declares the*

*intent of the Legislature to use General Fund appropriations for the cost of the FISCal system, and continuously appropriates funds and subaccounts to pay for the system's development, implementation, operation, and maintenance.*

*This bill would require the FISCal system to additionally include specified information regarding the General Fund and federal fund expenditures of each state department or agency, as defined. The bill would require the office to post this information on an Internet Web site no later than 6 months after the implementation of Phase One of the FISCal system. The bill would require the office to subsequently annually update this information.*

*The bill would make an appropriation by requiring the expenditure of continuously appropriated funds for this new purpose.*

~~Under existing law, the State Government Strategic Planning and Performance Review Act requires identified agencies to develop a strategic plan and report to the Governor and the Joint Legislative Budget Committee regarding the steps being taken to develop and adopt the plan.~~

~~This bill would require each state agency to annually post on its Internet Web site a detailed breakdown of its general fund and federal fund expenditures, including, but not limited to, the money spent on state and local administration, the implementation of programs, and the distribution of any grant and bond funds.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature hereby finds and declares its  
2 intention to provide greater transparency in the state budget  
3 process, so the public can readily review how taxpayer money is  
4 spent in the state budget.

5 ~~SEC. 2. Article 4 (commencing with Section 11820) is added~~  
6 ~~to Chapter 8.1 of Part 1 of Division 3 of Title 1 of the Government~~  
7 ~~Code, to read:~~

8  
9 ~~Article 4. State Budget Transparency~~

10  
11 ~~11820. On or before June 20, 2010, and on or before June 30~~  
12 ~~annually thereafter, each state agency shall post on its Internet~~

1 ~~Web site a detailed breakdown of its general fund and federal fund~~  
2 ~~expenditures, including, but not limited to, the money spent on~~  
3 ~~state and local administration, the implementation of programs,~~  
4 ~~and the distribution of any grant and bond funds.~~

5 *SEC. 2. Section 15849.20 of the Government Code is amended*  
6 *to read:*

7 15849.20. For purposes of this chapter and the issuance of debt  
8 pursuant to this part, the following terms shall have the following  
9 meanings:

10 (a) “Acquire” has the same meaning as in Section 15802 and,  
11 in addition, includes acquisition by development.

12 (b) “Approved FISCAL Project documents” means the FISCAL  
13 Special Project Report dated October 30, 2006, as revised on  
14 December 14, 2006, as amended by the FISCAL Special Project  
15 Report dated November 9, 2007, revised on December 19, 2007,  
16 and as amended, augmented, or changed by any subsequent  
17 approved Special Project Report or legislative action.

18 (c) “Cost or costs of the FISCAL system” means the cost of a  
19 public building, including, but not limited to, the acquisition,  
20 design, development, installation, and deployment of the system,  
21 and the acquisition, development, installation, implementation,  
22 and deployment of enterprise resource planning software, other  
23 ancillary software, hardware, licenses, upgrades, independent  
24 verification and validation, and related training and facilities to  
25 acquire, develop, install, implement, and deploy the system. Cost  
26 or costs of the system also includes staff and contractor costs and  
27 expenses related to the FISCAL system. Cost or costs of the FISCAL  
28 system does not include the cost of the ongoing operation and  
29 maintenance of the FISCAL system or debt service for the FISCAL  
30 system.

31 (d) “Debt service for the FISCAL system” means principal of;  
32 premium, if any; and interest on, bonds or certificates issued to  
33 finance and refinance the costs of the FISCAL system and payments  
34 pursuant to agreements providing security or liquidity for those  
35 bonds or certificates.

36 (e) “FISCAL” means the Financial Information System for  
37 California.

38 (f) (1) “General Fund and federal fund expenditures” mean  
39 the expenditure or transfer of funds in an amount in excess of ten

1 *thousand dollars (\$10,000) by any state department in the form*  
2 *of, including, but not limited to, any of the following:*

3 (A) *Grants.*

4 (B) *Contracts.*

5 (C) *Purchase orders.*

6 (2) *“General fund and federal fund expenditures” do not include*  
7 *the transfer of funds between two state departments or agencies,*  
8 *or the transfer of state or federal assistance payments to any*  
9 *individual recipient or beneficiary of those assistance payments.*

10 ~~(f)~~

11 (g) *“Interim financing” means any financing issued or obtained*  
12 *in accordance with this chapter and this part to finance the costs*  
13 *of the FISCAL system on an interim basis, including any loan from*  
14 *the General Fund, any loan from the Pooled Money Investment*  
15 *Account, and negotiable notes, including commercial paper notes*  
16 *or other forms of negotiable short-term indebtedness and negotiable*  
17 *bond anticipation notes.*

18 ~~(g)~~

19 (h) *“Notes” means negotiable notes, including commercial paper*  
20 *notes or other forms of negotiable short-term indebtedness or*  
21 *negotiable bond anticipation notes and any renewals thereof.*

22 ~~(h)~~

23 (i) (1) *Except as specified in paragraph (2), “office” means the*  
24 *FISCAL Project Office in the Department of Finance.*

25 (2) *Upon the establishment of an Office of the Financial*  
26 *Information System for California, “office” shall mean the Office*  
27 *of the Financial Information System for California, and shall no*  
28 *longer be construed to mean the FISCAL Project Office in the*  
29 *Department of Finance.*

30 ~~(i)~~

31 (j) *“Public building” has the same meaning as set forth in*  
32 *subdivision (c) of Section 15802 and includes the FISCAL system.*

33 ~~(j)~~

34 (k) *“State departments and agencies” means all state offices,*  
35 *officers, departments, divisions, bureaus, boards, commissions,*  
36 *organizations, or agencies, claims against which are paid by*  
37 *warrants drawn by the Controller, and whose financial activities*  
38 *are reported in the annual financial statement of the state or are*  
39 *included in the annual Governor’s Budget, including, but not*

1 limited to, the California State University and the University of  
2 California.

3 ~~(k)~~

4 (l) "System" or "FISCAL system" means a single integrated  
5 financial management system for the state that encompasses the  
6 management of resources and dollars in the areas of budgeting,  
7 accounting, procurement, cash management, financial management,  
8 financial reporting, cost accounting, asset management, project  
9 accounting, grant management, and human resources management,  
10 as included in the approved FISCAL Project documents *and includes*  
11 *the information required by Section 15849.23.*

12 SEC. 3. Section 15849.23 is added to the Government Code,  
13 to read:

14 15849.23. (a) *In addition to the requirements of Section*  
15 *15849.22, the FISCAL system shall include a state budget*  
16 *transparency component that allows the public to have access to*  
17 *General Fund and federal fund expenditure data, using an Internet*  
18 *Web site, by including all of the following information for each*  
19 *General Fund and federal fund expenditure:*

20 (1) *The name and principal location of each entity or other*  
21 *recipient of the funds.*

22 (2) *The amount of expenditure.*

23 (3) *The type of transaction.*

24 (4) *The identity of the state department or agency making the*  
25 *expenditure.*

26 (5) *The budget program source for the expenditure.*

27 (6) *A brief description of the purpose for the expenditure.*

28 (7) *A brief description of any item purchased pursuant to the*  
29 *expenditure.*

30 (b) *The office shall post, on an Internet Web site, the information*  
31 *on general fund and federal fund expenditures required by*  
32 *subdivision (a) for each state department or agency no later than*  
33 *six months after Phase One of FISCAL is implemented, as specified*  
34 *in subdivision (d) of Section 15849.22. The office shall*  
35 *subsequently annually update the information provided pursuant*  
36 *to this section on or before June 30 thereafter.*

- 1     (c) *This section does not require the disclosure of information*
- 2     *deemed confidential or otherwise exempt from disclosure under*
- 3     *state or federal law.*

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